PARLIAMENT OF INDIA

The following Report of the Select Committee on the Bill to provide for the ıcorporation and regulation of Road Transport Corporations, was presented to arliament on the 15th November, 1950 :—

THE ROAD TRANSPORT CORPORATIONS BILL, 1949

REPORT OF THE SELECT COMMITTEE

We, the undersigned members of the Select Committee, to which the Bill to rovide for the incorporation and regulation of Road Transport Corporations was ferred, have considered the Bill and have now the honour to submit this our port, with the Bill as amended by us annexed thereto.

Clauses 1 and 2.—The amendments are purely formal to make these clauses nform to the Constitution.

Clause 3.—We think that the use of the expressions "as economically as ossible" and "of preventing uneconomic competition" in part (*c*) may raise any complications. We have accordingly omitted such expressions and redrafted is part.

Clause 5.—We consider that where shares are issued to other parties under ıb-section (3) of Section 22, there should be specific provision for representation the shareholders in the Corporation through their elected representatives and ıch provision should be made in the rules under this Act. We have accordingly nended sub-clause (3) of clause 5.

Clause 8.—We have re-arranged the parts of this clause and we think that when ıe State Government wants to remove a member nominated by the Central Governent on the ground that he has failed or is unable to carry out his duties, he should ot be removed except with the concurrence of the Central Government. We have cordingly inserted a proviso to part (*d*).

Clause 11.—We think that the meetings of a Corporation should be held at ast once in every three months. We have, accordingly, modified sub-clause (1) inserting a proviso thereto.

Clauses 13 and 14.—The chief executive head of a Corporation may be called ther the Chief Executive Officer or the General Manager. These clauses have en modified accordingly.

Clause 16.—It might be necessary to appoint more than one Advisory Council ıd we have redrafted the clause so as to make it clear that the power to constitute ı Advisory Council should vest in the State Government but the State Government shall before constituting any such Council, ascertain the views of the Corpotion on such matter.

Clause 17.—In our opinion, the expression "subject to the provision of ıy law for the time being in force in a State" is unnecessary and we have ıitted it.

Clause 18.—We consider that it is unnecessary to state that a Corporation all exercise its powers subject to the provisions of any law for the time being in rce in a State and we have omitted the relevant words in sub-clause (1).

We have added two new parts (*k*) and (*l*) to sub-clause (2) as we feel that the rporation should be given such powers specifically.

We have added a new sub-clause (5) to provide that where a Corporation quires the whole or any part of an undertaking, the Corporation should, in pointing its officers and servants, take into consideration the claims of employees ıployed in that undertaking.

Clause 20.—We think that the rates at which and the terms and conditions on which mails are to be carried by a Corporation should be specified by the Central Government in consultation with the State Government rather than by the State Government in consultation with the Central Government. Necessary changes have accordingly been made.

Clause 22.—In sub-clause (3), we have inserted a few words so as to leave no doubt that the displaced operators may also subscribe to the share capital of the Corporation.

Clause 29.—We consider that the whole of the net profits of a Corporation should not be utilised for the amenities of passengers using a road transport service or for the welfare of the labour employed in the Corporation. Only such percentage of the annual profits as may be specified in this behalf by the State Government should be utilised for such purposes and the balance should be made over to the State Government concerned for the purpose of road development. The clause has been modified accordingly.

Clause 30.—The changes suggested are merely consequential to the amendments made in clauses 17 and 18.

Clause 33.—We think that the State Government should give directions as to the recruitment of employees of the Corporation also and we have accordingly inserted the word "Recruitment" in sub-clause (1).

Clause 35.—It is not necessary that the person to be appointed to make inquiries should be an officer of the Government. We have accordingly substituted the word "person" or "persons" for "officer" or "officers".

Clauses 36 and 37.—The changes made in these clauses are merely consequential and drafting changes.

Clause 38.—We have made some drafting amendments in this clause.

Clause 39.—We consider that the Chairman of an arbitral tribunal should be an independent person. We suggest that he should be appointed by the Chief Justice of a High Court.

We note that this clause does not specify the principles which should be taken into account in assessing compensation to be paid when an undertaking is acquired under this Act. Such principles have been laid down in section 47 of the U. K. Transport Act, 1947.

We, however, feel that the matter is of such importance that the Central Government should take necessary steps to lay down the principles of compensation either by rules under this Act or by separate legislation.

There may also be cases in which certain routes at present operated by private parties may be handed over to a Corporation by refusal to renew their permits. We feel that even in such cases, fair compensation is due to the displaced operators. We note that such a provision exists in the U. K. Transport Act, 1947. We recommend that the Government should take necessary steps to examine this question with a view to see that such cases are suitably dealt with and that no unfair use is made of the Motor Vehicles Act, 1939.

Clause 40.—We consider that any amendments which are to be made in the Motor Vehicles Act, 1939, should be made in that Act and not in this Bill, and we have accordingly omitted this clause.

New clauses 40, 41 and 42.—We suggest that the three new clauses may be inserted.

Clause 40 deals with powers of a Corporation to delegate its powers and duties to the Chief Executive Officer or General Manager. Such powers of the Corporation appear to be necessary,

Clause 41.—There are certain advantages in declaring a Corporation to be a local authority within the meaning of the Motor Vehicles Act.

We consider that the motor vehicles of a Corporation should be exempted from the operation of the provisions of Chapter VIII of the Motor Vehicles Act which

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deals with insurance of motor vehicles against third party risks. Before granting any such exemption, however, the State Government must be satisfied that the Corporation has established and maintained a fund to meet any liability which the Corporation may incur to third parties.

Clause 42:—It vests a Corporation with powers to authorise any of its officers and servants to enter upon any land or premises for carrying out the functions of the Corporation. We suggest that the Corporation may be vested with such powers.

Original *clauses 41 and 42* have been renumbered as clauses 43 and 44, respectively.

Clause 44 (*original clause 42*).—The amendments made in this clause are merely consequential on the amendments suggested in the earlier clauses of the Bill. We also suggest that the rules should prescribe the number of members necessary to constitute a quorum in a meeting of the Corporation.

Original *clause 44* is to be renumbered as clause 45.

New clause 46.—This is a new clause which has been inserted to provide for penalty for breach of rules made under clause 44. We consider such powers necessary.

2. The Bill was published in Part V of the *Gazette of India*, dated the 31st December, 1949.

3. We think that the Bill has not been so altered as to require circulation under rule 77(4) of the Rules of Procedure and Conduct of Business in Parliament and we recommend that it be passed as now amended.

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NEW DELHI,
The 15th November, 1950.

*Subject to a Minute of Dissent.